

**ARIZONA STATE PARKS BOARD
1300 W. WASHINGTON STREET
PHOENIX, AZ
JANUARY 18, 2007
AMMENDED MINUTES**

Board Members Present

William Porter, Chairman

William C. Cordasco (arrived at 9:08 a.m.)

William Scalzo

Reese Woodling

Elizabeth Stewart

Mark Winkleman (arrived at 9:45 a.m.)

Staff Present:

Kenneth E. Travous, Executive Director

Jay Ream, Assistant Director, Parks

Jay Ziemann, Assistant Director, Partnerships and External Affairs

Mark Siegwarth, Assistant Director, Administration

Cristie Statler, Executive Consultant

Debi Busser, Executive Secretary

Attorney General's Office

Joy Hernbrode, Assistant Attorney General

Patricia Boland, Assistant Attorney General

A. CALL TO ORDER - ROLL CALL - 9:00 A.M.

Chairman Porter called the meeting to order 9:05 a.m.

B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

C. CONSENT AGENDA - The following items of a noncontroversial nature have been grouped together for a single vote without Board discussion. The Consent Agenda is a timesaving device and Board members received documentation on these items for their review prior to the open meeting. Any Board member may remove any item from the Consent Agenda for discussion and a separate vote at this meeting as deemed necessary. The public may view the documentation relating to the Consent Agenda at the Board's office, 1300 W. Washington, Suite 104, Phoenix, Arizona.

- 1. Approve Minutes of November 16, 2006 Arizona State Parks Board Meeting**
- 2. Approve Executive Session Minutes of November 16, 2006 Arizona State Parks Board Meeting**
- 3. Consider extension of project end date for BLM Trail Project #680204**
- 4. Consider extension of project end date for Coconino NF Trail Project #680208**
- 5. Consider extension of project end date for Flagstaff Trail Project #680207**
- 6. Consider extension of project end date for Yuma State Lake Improvement Project #78011**

7. **Consider expansion of allowable uses for Law Enforcement Boating Safety Fund.**
8. **Approve the rules for final rule making and submittal to the Governor's Regulatory Review Council.**
9. **Consider Recommending a Decrease in the Member Size of ASCOT.**
10. **Designation of Park Ranger Law Enforcement Officer** – Due to the State Parks Board's current meeting schedule, and the projected date of Mr. Crouse's graduation from the police academy (January 19, 2007), Staff recommends that the Arizona State Parks Board designate Brian Crouse as an Arizona State Parks Law Enforcement Officer, contingent upon successfully completing the CARLOTA training.

Ms. Stewart requested the Chairman pull Items #2 and #8. The Board has not had time to review the Draft Executive Session Minutes. She has questions regarding Item #8.

Mr. Cordasco made a motion to approve the Consent Agenda with the exception of Items 2 and 8. Mr. Scalzo seconded the motion and it carried unanimously.

Chairman Porter suggested that the Board should vote to Table Item #2 to the next Board meeting.

Mr. Travous noted that Ms. Busser had been out of the office until this week and thanked Ms. Barbara Johnson, Ms. Ellen Bilbrey, Ms. Laura Guigallo, Ms. Gloria Yazzi, and everyone else who chipped in and assisted in getting ready for this Board meeting.

Mr. Scalzo made a motion to Table the approval of the Executive Session Minutes of the November 16, 2006 Board meeting. Mr. Cordasco seconded the motion and it carried unanimously.

Ms. Stewart questioned R12-8-110 D on page 22 of the Board packet. If she is reading it correctly, the effect of the change will allow the Director to modify any fee prescribed in R12-8-109 if the Director determines that modifying the fee is in the best interest of the state park system. Under R12-8-109 says the Board shall annually review and set fees for entrance camping, overnight, etc. She does not think R12-8-110 D is appropriate and cannot vote for these Rule changes if that's the intention.

Ms. Stewart noted that it used to be that the Director could modify to include discounts, promotional rates. With the change, it basically says flat out that if the Director thinks it's in the best interests of the parks system one week after the Board adopts a fee schedule the Director can change it. She sees no sense in having the Board annual review it if that can be done.

Mr. Scalzo stated that he is concerned that there needs to be some flexibility because things change. If the Board reviews them annually, then decisions are made annually. Most Directors would not change these frequently. Fees can be brought up at the next meeting, which is usually within 30 days if the Board had concerns. He believes the Board has enough control by setting the fees and by meeting frequently that it seems to

be something that would only be used in a special situation that merited it.

Chairman Porter stated he would like to see a motion to approve item C.8 under the Consent Agenda and then, if she wished, Ms. Stewart could make a motion to modify, see where it goes, and then deal with it.

Mr. Scalzo made a motion to approve Consent Agenda Item C.8, Approve the rules for final rule making and submittal to the Governor's Regulatory Review Council.

Mr. Woodling seconded the motion.

Ms. Stewart stated she needs help from legal counsel in order to propose an amendment to the Motion on the floor that would limit it to emergency situations only. The Board is not in any way precluded from making changes every month. She doesn't think it's appropriate that, unless there is an extremely compelling reason, the mere fact that the Director feels it would be better to change the fees from the Board's preference.

Ms. Hernbrode noted that the previous Rule had very broad language. The original language could be restored. There are other options such as setting a time period.

Chairman Porter suggested that the motion on the floor be deferred until after the Board takes a break in order for Ms. Stewart and Ms. Hernbrode to discuss it, come back in, and perhaps make a presentation to the Board and then vote.

Mr. Siegwarth noted that this was really a case of the professional rule-writer's attempt to make it clear. The intent was not to change the previous Rule. There was no intent to add or subtract powers. It clarifies the instances where the Director or designee can modify fees better than the old Rule. The intent of getting rid of the discounts and promotional rates was to open it up as things change. As fees and agreements are changing, some of the discounts are better captured with the current verbiage. We tried to keep it broad so as things change the Rules don't have to be changed every time a change is made. It's under the fee waiver grouping. It would only give the Director the authority in situations where it's to the Board's benefit and another group's benefit to modify the fees.

Ms. Stewart responded that that needs to be specified.

Chairman Porter stated the Board would take a break in a little while and Ms. Stewart, Ms. Hernbrode, and Mr. Siegwarth would have a chance to talk this out to see if we can arrive at language to achieve that.

Chairman Porter deferred the vote on the Motion on the Floor to later in the meeting.

D. BOARD ACTION ITEMS

1. Election of Officers for 2007.

Chairman Porter deferred this action to later in the meeting.

2. Reconsider award of SLIF grants to Bullhead City and Town of Buckeye pursuant to unfavorable review by Joint Committee on Capital Review.

Chairman Porter noted that there were a number of people present who wished to address the Board on this issue. He suggested that the Board deal with the Bullhead City SLIF grant first.

Mr. Ziemann reported that in September the Board approved a slate of SLIF grants. The Board is the contracting authority; the Board is the final decision-maker on the

execution of those grants. Statute requires that those awards be taken to the Joint Committee on Capital Review (JCCR) – a group of legislators that sit on the Appropriations Committee for their review – not for their review and approval. In the 14 years he's been doing this, he cannot recall JCCR giving an unfavorable review to a SLIF grant. It is a relatively rare occurrence. Because these two grants received an unfavorable review, staff thought this item should be placed on this agenda. They have not yet been executed. If the Board decides to do nothing, staff will execute the contracts as the Board approved them in September. If the Board wishes to modify them, then it will require a Board action.

Mr. Ziemann noted that in addition to the materials the Board have, an additional letter was received yesterday that was distributed to the Board today in support of the Bullhead City SLIF grant.

Mr. Cordasco requested staff summarize the meeting in September.

Mr. Ziemann responded that we are just talking about Bullhead City right now. The Bullhead City project received the highest score of all the SLIF grant applicants. It was overwhelmingly believed to be a good, sound project. There certainly was no controversy over this project.

Chairman Porter noted that if the Board does nothing – no motion or action taken – then everything stays exactly as it is.

Mr. Ziemann concurred.

Ms. Stewart suggested that the Board review the application and that the Board's discussion focus on how this would benefit, should the Board proceed with it, motorized boating on the lake. It seemed to her that, on reading the materials, there were some definite benefits to the motorized users by having the non-motorized users separated. It gives them exclusive use of other facilities, is a safety issue, and probably a congestion issue. She is concerned that if the Board starts reading this statute too narrowly very little will be done that helps the overall experience available to motorized users. If some of those who will address the Board can focus on some of those issues, it would be particularly helpful to her.

Chairman Porter noted that he had a Request to Speak form from the La Paz County Sheriff's Department and that there were others representing county sheriff's departments in the audience. He noted that the issue of interest to them was Consent Agenda Item #7, Consider expansion of allowable uses for Law Enforcement Boating Safety Fund, was already approved.

Mr. Nelson responded that there were some other issues their sheriff and their County Board of Supervisors have relating to the increased uses of LEBSF funding. They are in favor of increasing uses of LEBSF funding, however they feel that the allowable things that were addressed in the brief that AORCC passed were a bit too narrow to address all the needs of the various counties. Some of the things they included related to maintaining navigation aide devices. That's all well and good, but none of the counties in AZ are responsible for maintaining aides to navigation. There are no county-

maintained navigation aides that he's aware of in any of the counties.

Mr. Scalzo stated that that is incorrect.

Mr. Nelson apologized if he misspoke, but stated that for La Paz and Mohave Counties they are taken care of by the State Parks system, the AZ Game and Fish Dept., or by the National Parks Service. They feel that the uses for the LEBSF money, per a Resolution adopted by the Arizona Sheriffs' Association and a letter from the La Paz County Board of Supervisors allowing the Sheriffs and Counties to determine what items meet that criteria to be used as statute allows them to meet boating safety, personnel, equipment, and training. They would like that, subject to audit and review by Arizona State Parks (ASP), but not so narrow that they list the items they are allowed to use the funds for.

Chairman Porter noted that, if he understands Mr. Nelson correctly, they don't have any serious problems with what the Board passed. They feel it should be broader.

Mr. Nelson responded that they feel it should be broader.

Chairman Porter suggested that they go back to ASP administrators and make it known to them. If, ultimately, they believe it should come back before the Board, the Board can always revisit it and reword it again if it is appropriate.

Mr. Travous agreed with the Chairman. He pointed out that this has gone before AORCC. These points were raised. The point to be made from AORCC was that they can't just say, "Trust us." There needs to be a list of things to audit afterward.

Chairman Porter stated that they need to convince AORCC and others to bring it before the Board or, even over their objections to bring it before the Board where it can be voted on as a specific proposal down the road. He suggested they go back into the process. The Board appreciates the interest and will leave it with them to follow through.

Ms. Stewart suggested it would be helpful for Mr. Nelson to go to AORCC with their list of specific items that need to be covered but can't be covered as written rather than just saying we need more. It's like this Board would like more flexibility in its budget but we have not been able to convince the legislature they should give us a blank amount and let us spend it as we see fit.

Mr. Nelson noted that they did that in a meeting they had with ASP staff in October. They came up with a list they provided to staff. Staff gleaned the items they included from that list.

Mr. Nelson stated another issue they have with this is something that was not addressed today and that AORCC did not address. That was to have the effective date be July 1, 2007. As they are currently in the Fiscal Year with the increased funding they have already acquired through the LEBSF, if La Paz County were to use what is currently in the provisions now in force, they would have to return an estimated \$100,000-\$150,000 to LEBSF that they are unable to appropriate or to put out. Mohave County may have to put in a greater amount than that. That would be funding both counties would lose. It's not an immediate problem for La Paz. At that point they would use that \$100,000-\$150,000 they have to expend on things already approved (boats, motors, etc.). That would result in them withdrawing their current SLIF

application for the same equipment. He thanked the Board for the opportunity to speak to them today.

Chairman Porter asked staff to address the effective date.

Mr. Travous responded that he wasn't sure what Mr. Nelson was referring to regarding the effective date or repercussions relating to it.

Chairman Porter requested that the issue surrounding the effective date be included on the Agenda for the next Board meeting.

Chairman Porter returned to Agenda Item D.2. relating to Bullhead City.

D. BOARD ACTION ITEMS

2. Reconsider award of SLIF grants to Bullhead City and Town of Buckeye pursuant to unfavorable review by Joint Committee on Capital Review.

Mr Tim Ernster, City Manager, Bullhead City addressed the Board. He thanked the Board for taking the time to again consider this particular grant application to add a number of boat launch areas as well as improving existing facilities there that benefit the motorized boat launch areas. This project received the highest score in the last review of grant applications. They disagree with the determination of the JCCR in their recommendation on this project. They feel their concern is really more directed at the smaller man-made urban lakes that exist in cities around the state and the fact that they cannot accommodate motorized boats. This project is located on the Colorado River. Obviously, the Colorado River does accommodate motorized boats.

Mr. Ernster stated that, to really get down to the component that's being defined as a non-motorized boat launch area really amounts to a loop of asphalt off of the parking lot that's also a part of this project. It's really an area where recreational users can pull up temporarily in their vehicle, unload their kayak or canoe and then go park. There are no concrete ramps involved; there are no docks involved. It's strictly an extension of the parking lot that's also part of this grant application. When talking about a non-motorized boat launch ramp area it's important to keep in mind what is really being discussed here.

Mr. Ernster noted that the other parts of the project are very important – not only to the addition of the non-motorized boat launch area – but also the existing motorized boat launch area. The existing facility in Bullhead City is woefully inadequate. It is overused. The parking facilities are inadequate. There are safety issues. There was discussion about assigning a park ranger there to direct traffic at the boat launch area because it was becoming very congested.

Mr. Ernster stated that they are trying to accomplish the separating out of recreational users that use kayaks and canoes from the users who want to come in and put their boats in the water. They believe it will increase safety. The parking facilities are inadequate. The parking lot that is part of this grant application will help address that need. There are some wastewater improvements to this area and they want to remove the septic system. That's very important to the area and will help maintain the quality

of the Colorado River water. All of these improvements will largely benefit the motorized launch area; they will also benefit the beach area that is used by visitors to Bullhead City.

Mr. Ernster noted that just in the past month the City has acquired 283 acres of Bureau of Land Management (BLM) land by taking over an existing lease. That land includes about a half-mile of additional shoreline along the Colorado River. It's located directly south of this location. They intend to build more recreational facilities along the Colorado River that will benefit their users. At some point in the future they would like to add another launch area in this new piece. They are thinking that it would be for personal watercraft.

Mr. Ernster stated that this grant is extremely important to Bullhead City. He urged the Board to reaffirm the decision they made. It was a good decision. This project will benefit the boat launch area and will provide additional facilities for their users in Bullhead City.

Chairman Porter noted that the benefit to motorized craft would be substantial in that it would help to decongest the area that is currently servicing motorized craft by diverting off a place where non-motorized craft could be channeled.

Ms Stewart asked if it also benefits them by making it safer.

Mr. Ernster agreed that safety is a very critical issue.

Mr. Scalzo thanked Mr. Ernster for being present and for his excellent presentation. He believes this project is splendid and meets all of the Board's criteria. He cannot imagine why JCCR had any issues at all with it. In today's *Republic* there's an editorial about boating safety. Bullhead City is trying to resolve one of the issues. The Board should be very proud that these dollars are being spent on effective programs to make it safe.

Chairman Porter added that it's in an area that the *Republic* did not rate very well. The lakes in AZ took a real hit in the national listing. Of the top 14 most dangerous water places in the US, 5 or 6 are in AZ, including Mohave, Lake Havasu, Lake Meade, and Lake Pleasant (#14). He agrees with Mr. Scalzo's comments. He asked if anyone on the Board wishes to make a motion reconsider that grant.

Ms. Stewart responded that she did not wish to make that kind of motion but suggested that the Board should send a letter back to JCCR explaining that the Board have, at their request, reviewed this grant application again and determined that we want to proceed because we feel that this project benefits the motorized boaters by increasing their safety and it relieves the congestion.

Mr. Ziemann responded that he is not going to get off so easily with just a letter. He has an appointment with Representative Boone, the Chairman of JCCR. He's very interested in knowing what the Board's action will be.

Chairman Porter asked that Mr. Ziemann make it clear that the Board did not take this issue lightly.

Mr. Ziemann responded that, if need be, he will take that portion of the Minutes that relate to this issue with him.

Ms. Stewart noted that it's very difficult to make these things for the exclusive benefit of

the motorized users. There are campsites, there are launches, there are parking lots and there can't be someone standing around asking if the users are boating today. The statute seems to limit it to only those waters where gasoline-powered boats are permitted. The statute allows something that has even less benefit to the motorized boaters than this project has.

Chairman Porter thanked Mr. Ernster for attending the meeting. Since he has not heard any motion there will be no action. He does not want to signal in any way, shape, or form to the legislature that the Board did not take their unfavorable review seriously. He was surprised by it; but, at the same time, feels the Board has to take something like that very seriously and let them know that we did. The Board's decision to take no action to rescind the award was not simply any kind of knee-jerk reaction.

Because representatives of the Town of Buckeye had not yet arrived, that review was deferred to later in the meeting.

Mr. Ernster introduced Ms. Karla Brady to the Board. She is the Bullhead City's Grants Administrator. She is the reason they got the score they did on their grant application.

E. DISCUSSION ITEMS (from strategy adopted in 2006) (Verbal Updates)

Mr. Travous reported that in future meetings staff will take one or two of these items and discuss them in depth. At the next meeting staff plan to have an in-depth discussion on #4 (We need to engage partners in our future plans) and #6 (We need to market our identity). There will be in-depth discussions on all these strategies throughout the year.

1. We need to make our case with the administration regarding our budget needs.

Mr. Travous reported that this was done. Mr. Cordasco met with Ms Lori Faeth and him. Mr. Travous has had additional meetings since then with Mr. Cunningham, the Governor's Chief of Budget, and those meetings have been successful. Mr. Siegarth will provide an update on the Governor's budget proposal for ASP. This strategy has had some effect. We need to keep it growing, though, because it's only one-half of the equation - perhaps the most important half. In past years, there were conservative budget requests from the Governor's Office and when the legislature came into the picture, we weren't in play. This is a two-year budget; it gets us almost everything we have looked for over the past two years. Because of the Governor's support, we can now spend time with the legislature and start talking about our needs.

2. We need to quit hiding our problems.

Mr. Travous reported that the photographs staff are taking are having a big impact. Mr. Ziemann met with Representative McLain yesterday. She said to bring those pictures to the budget representation. Our capital needs are identified as being about \$175M statewide. Some are more gilding than others. But a large part are for basic things that need to be taken care of. If we don't do it now it will be more expensive in the future. That will be our message to the legislature in the upcoming months.

3. We need to be engaged and supportive of the Heritage Alliance.

Mr. Travous noted he has not met with them since November. He has a meeting with the people from the Heritage Alliance in the next few weeks. They are talking about going after another initiative to update the Heritage Fund. The Morrison Institute came out with an A-Z of good things the state has done. "H" was the Heritage Fund. We need to be engaged with them as they put together a second go-around.

4. We need to engage partners in our future plans.

Mr. Travous reported that the Foundation has passed an Affiliate Agreement. This means the Foundation can act as a community foundation. If a small group wants to form but doesn't have the wherewith all or desire to go through all the 501(c)3 steps and the 990s that have to be performed they can sign an Affiliate Agreement with the Foundation without having to do all the work before getting it going.

Mr. Travous reported he was at Red Rock State Park on Wednesday. He noticed some of the things the Red Rock Benefactors have done regarding the trail and along the boundaries of Red Rock State Park.

Mr. Travous reported that the Foundation continue to raise money statewide for individual parks. People along the Verde River are looking at forming a friends group. People in Lake Havasu are doing the same thing.

Mr. Travous had a meeting yesterday with partners from The Nature Conservancy and EMA where they discussed doing a study on the Verde River that will capture how much water is needed for continual flow along the Verde River for the riparian values along the river. EMA will send a proposal to make these technical studies user friendly and make an outreach program. The partners who signed up yesterday included SRP, Town of Cottonwood, Town of Clarkdale, Camp Verde, the Water Users Watershed Association, and the Yavapai County Water Advisory Council. This was all based on work the Foundation helped us get set up because we are now partners with the higher echelons at SRP. The same thing is starting to happen with APS.

Chairman Porter stated that this would be an appropriate point in the meeting to note that at the last Board meeting there were a number of things the Board voted to require from staff by this meeting and documents and statements to be prepared apart from the agreement with the Foundation that appears on this agenda. He noted that the Board received a letter from Ms. Boland that explains why those items are not on the Agenda today.

Ms. Boland noted that the Governor is encouraging a lot of agencies to look at partnering with non-profit corporations. As she realized that, she felt there were a lot of staff in her office looking at this issue. If there can be some sort of uniform policy it would benefit all the agencies.

Mr. Travous noted that staff have been working with the Attorney General's (AG's) Office on the issues. Some of them will depend on what policies they come back with. Ms. Boland has agreed to have him come and talk with the attorneys prior to putting all of these policies together. There are things that look good from a legal standpoint, but

how does one make it work from a practical standpoint.

Ms. Stewart noted that the letter from Ms. Boland only refers to the policies. She asked if the Board should hold off on the other items (review of time records, review of job description, etc.).

Ms. Boland responded that she believes Mr. Travous and Ms. Statler are aware of the kinds of things that shouldn't be done on state time and understand that those things need to be done on their own time. However, working with the Foundation and attendance at Foundation meetings is obviously acceptable. There are things that are not acceptable. She thinks there's been enough conversation that they understand that. With respect to the past, perhaps the policy would help to understand, as they go back and look at the past, what exactly should be brought back to the Board.

Mr. Travous stated that he is comfortable now. However, if counsel come up with policies, he may be uncomfortable with the policies.

5. We need to be proactive on growth issues.

Mr. Travous reported that the Governor has a Growth Cabinet that, through an Executive Order, is now a standing group. In addition to himself, the cabinet includes the Land Department, the Game and Fish Commission, and others. This group will meet on the 28th to discuss growth issues. One of the things that the Growth Management Group has discussed is the impact of grants to communities and how the grants could be used to either further or massage and control growth.

Ms. Stewart noted that the Board has been discussing how we could use our grants or programs by massaging the criteria to effect positive changes in areas that we feel are consistent with our Vision for a number of years.

Mr. Travous responded that this would be more of an area that is being developed out from an area where there is infrastructure to support it. Then a community could come and say they built this community; they would like the Heritage Fund to put in a playground. He believes that is the type of thing they're talking about that will be sorted out in the next few meetings.

Mr. Ziemann added that it's intriguing they are talking about centralizing and pooling the financial information. ASP currently doesn't have any idea where else communities are receiving state funds when considering our grant applicants. As they pool that information, it may be better able to assess where, in fact, needs are. It could mean changes in the grant processes.

Mr. Travous added that Mr. Ziemann's point was a point JCCR made. They noted that Buckeye is already getting a lot of state money; they don't need the SLIF funding. The legislature is looking at those kinds of things.

6. We need to market our identity.

Mr. Travous reported that the 50th Anniversary events are really helping. He and Mr. Ream are doing the "Jay and Ken Show" at the events. This Saturday they will be at

Roper Lake in Safford.

Chairman Porter congratulated Messrs. Travous and Ream. They have done a marvelous job in putting this program together. He wished he could have attended more of them. Those he has attended were impressive.

Mr. Travous added that the Governor has requested that the Tourism Department spend \$250,000 from their budget promoting ASP. Staffs of both agencies will meet to discuss what types of things they can help us with. Tourism is being actively engaged in assisting ASP in developing our identity. This resulted from a phone call the Governor's Office made.

7. We (the Board and Director) need to continually look at the horizon.

Mr. Travous reported that he believes this is what we do every time we look at these strategies. At the next Board meeting, staff will have in-depth presentations on #4 and #6. There will be a working session later this year where #7 will be the topic.

Ms. Stewart asked what an "IMA" is.

Mr. Travous responded that it is "EMA".

Mr. Cordasco stated that it stands for Ecological Monitoring Assessments Foundation. It was begun by Babbitt Ranches and he is President of that Foundation. It's a program within the Northern Arizona University with the objective of facilitating the different research and science disciplines within the University in a nucleus by which they can be more proactive and supportive of entities like ASP, Forest Service, and others.

Mr. Travous responded that Mr. Cordasco could be assured that Ms. Karan English is working hard on behalf of that Foundation. A proposal is expected from her within the next couple of weeks.

Chairman Porter noted that he received a gift at the Arizona Historical Society meeting. It was the SRP calendar. One of the winners of the Youth Research Project was featured in the calendar. What really interested him was the January page which featured Land Commissioner (and Parks Board member) Mark Winkleman.

Mr. Winkleman responded that the one interesting things about that picture is that Ms. Smith (Board of Supervisors, Pinal County), who is pictured with him, and he were never together. Two separate pictures were taken and then melded together.

Chairman Porter noted that Mr. Cordasco just suggested that it might be appropriate to summarize where the Board has gone this year. He's not sure how to summarize other than to say it is a beginning. It's a marvelous beginning. It's taken a long time to get to this point. The Board has been working on this for a solid three years. It began when the Board met at Tonto for the initial setting of goals and where the Board decided to fundamentally change the way the parks look at themselves. It took a while to get used to that. It wasn't easy. There was some pain involved; there were some controversial issues; it didn't move as fast as some had hoped it would. In retrospect, it may have gone about as fast as it could. The meeting held last year as a follow-up went

way beyond his expectations. He saw a transition from internal self-analysis to a strong proactive marketing of who we are and attempting to take the transition and begin to focus outward – which may ultimately be the most important thing the Board can do. He cannot give enough credit to Mr. Cordasco as the impetus. Mr. Cordasco became the conscience. At appropriate points throughout the process he would stand up and put us back in the channel and keep it moving along. A lot of this has come about through Mr. Cordasco's work at Babbitt Ranches and bringing some of those concepts in to the Board. He believes Mr. Cordasco has done this organization a remarkably high service.

Mr. Cordasco suggested a #8 to the strategies: We need to continually look at our history. When the Board discusses these strategies, points from the past could be brought up either as examples or reminders.

Mr. Travous responded that staff would include that as part of the presentation at the next Board meeting.

Chairman Porter noted that the representatives from Buckeye had arrived and suggested the Board take that issue up and deal with it.

D. BOARD ACTION ITEMS

2. Reconsider award of SLIF grants to Bullhead City and Town of Buckeye pursuant to unfavorable review by Joint Committee on Capital Review.

Mr. Cordasco requested a summary on the portion of this item relating to the Town of Buckeye.

Mr. Ziemann reported that in September the Parks Board considered the Buckeye Lake project with all the other SLIF applications. There were many more questions about the Buckeye Lake project than for the previous Bullhead City project. Most of it was because the grant application, as it went through the process of going to AORCC and then to the Parks Board changed several times. The scope of the grant changed several times. Some of that was addressed at JCCR.

Mr. Ziemann noted that when JCCR met, they raised concerns about the Buckeye Lake project – none of which would have surprised the Board because they were all the exact same concerns the Board raised in September. The amount of land being acquired and the ultimate size of the lake were undetermined in September. The State Historic Preservation Office (SHPO) clearance (the cultural resource clearance) had not been completed. Some water quality and water quantity issues were raised. JCCR echoed all of those same concerns. They questioned the overall cost of the project and the impact it might have on total SLIF funding. He does not believe any of those concerns would be new to the Board, AORCC, or Buckeye. All those issues have been discussed over the last several months.

Mr. Ziemann stated that he believes those are the reasons JCCR gave an unfavorable review. The Board very much limited the scope of the project in September to cover those items as Buckeye was moved forward to finalize what the overall project would

look like – if it was land acquisition; cultural resource clearance; water quality. That was what the grant was limited to.

Mr. Ziemann stated that if the Board does nothing, staff will execute the contract and move forward as approved in September. If the Board wants to change something a Board motion is required.

Chairman Porter asked if a lot of the discussion in September when the Board granted that very limited award was centered on the idea that that lake might actually go to one capable of having motorized traffic. He thought that the Board was under the feeling that as it was it probably wouldn't qualify. There were, he thought, some indications that it could perhaps go to motorized boating. He believes part of the grant was to help determine the scope of that project and whether it was even feasible on a lake of that size or whether that lake needed to be bigger.

Mr. Ziemann responded that Buckeye has always maintained that there would be motorized boating allowed on this lake. If there wasn't going to be motorized boating allowed on this lake, it would not be eligible under the statute. In the original configuration as the grant was originally made and as AORCC considered it, the body of water was to be about 100 acres, which is a small lake. In the process, staff heard there was the potential to acquire more property, which would make the lake larger, which would make the project more viable. In essence, the Chairman's recollection is true.

Ms. Stewart stated that the Board needs to keep in mind that, although the Board may think it's a bit small, the Board allows boating on Patagonia Lake. The usable area is less than 100 acres. There's not only water skiing, there were jet skis. The Board has quite a bit of boating on a lake that not only has less usable acre feet but has obstacles in the middle that affect visibility and navigation. She is concerned about having different standards. The fact that they received other state money, at the present time, is not a criteria the Board should consider. She believes the Board would be subject to opening itself up to legal action if it brought in new criteria like that. She believes the Board needs to limit discussion to those issues that were considered in September but relate to the criteria and to the statutory requirement. The Board might like all of these motorized lakes to be much larger, but the reality is that the Board is operating small lakes as well.

Ms. Jeannine Guy, from Buckeye, addressed the Board. She apologized for not being present at 9:00 a.m. She stated their appreciation to the Board for the opportunity to speak. She noted she doesn't have a lot more to report other than those things discussed in September. Buckeye is a growing community. She believes they have done a good job over the last couple of years in planning for their recreation and park space. Their recent annexation of 95 square miles of BLM land will be designated totally as open space. In their General Planning process, they will submit to Council a \$100,000 Trails and Rivers plan to take place this year. They really are trying to position themselves so they are not scrambling 10 years from now to go back and acquire this Parks and Recreation space.

Ms. Guy stated that she does think they should have done a better job in the initial grant application describing their potential plans. She doesn't think they were very clear on what that area can and should be. Chairman Porter is correct. Buckeye envisions it as being much larger than a 100-acre lake. This was just the first phase of the project. This location is just north of the Gila River and is identified in the El Rio Watercourse Master Plan as part of the project to restore that river. If one looks at areas in the state that would have water to support a lake of this size that will really end up being a regional lake, the water is there. Currently, the Buckeye Irrigation District has several wells they pump 24 hours 7 days a week just to keep it out of the flood plane and get it into the Gila River. The lake will simply be a pass-through for that water. Water is not an issue.

Ms. Guy stated that Buckeye realizes they need to ensure they have covered all the cultural resource concerns and will mitigate in that area. They have done some major

work in partnering to identify additional acreage that would be needed for a larger lake. Currently, much of that area is being used for sand and gravel operations. She doesn't think any of them want to see the end result to be a sand and gravel operation in that area. If they can partner with these people and have a lake as the end result, it would be a much better option for the residents of Maricopa County – not just the residents of Buckeye.

Ms. Guy stated that is their intent for that area. They were going to use this grant money to make sure the Board was comfortable with their cultural mitigation, to show the land acquisition they would have in the area, and then to begin the engineering and design phase of the lake. That will identify the exact location. They felt that when they submitted the grant application it met the requirements of SLIF funding; they feel they have been good stewards of any ASP grants they have received.

Ms. Stewart noted that the Board needs to be sure it is not giving a grant and then that's the end of the project. She asked about Buckeye's ability to move forward with the project.

Ms. Guy responded that Buckeye is committed to this process. That's why they're identifying those areas that are open space and ensuring there is no development going in that would make this area not a viable option for the lake. They have identified a portion of their parks' impact fees to be dedicated to the Buckeye Lake. They believe it will be their recreational amenity for any resident coming into the Town of Buckeye. Does she believe they can do it totally with no SLIF funding – no, she would be misleading the Board there. They will be coming back and asking for additional grant funding. The Town Council and the elected officials are committed to this project.

Ms. Stewart noted that they are not, then, totally dependent on SLIF and have other resources. She's not saying that the Board would not want to award more money to this project just because they have other resources. She reminded everyone that SLIF funds were unexpectedly swept a few years ago.

Ms. Guy responded that they understood that. She believes that in this year's budgeting process the Board will see money from their General Fund dedicated to the lake.

Chairman Porter noted that Ms. Stewart's point is well-taken. It's very important that Buckeye understand. He supports this initial grant because he feels it is well-based. The studies need to be done. He's not sure the Board will ever be in a position to grant the level of monetary support that Buckeye would probably like. There are simply too many different entities around the state that are worthy of grants and the Board cannot devote everything from SLIF to a large project like this for what amounts to years. Perhaps there will be some SLIF money to come, but Buckeye needs to ensure they are not putting all their eggs in that one basket.

Ms. Guy responded that Buckeye's elected officials understand that.

Chairman Porter stated that the Board was probably at the point where if someone

wanted to make a motion to reconsider the issue, they should do so.

Mr. Travous noted that this becomes a separation of powers issue. It has not been tested. The Board needs to be prepared. He suggested a letter explaining the Board is not just flaunting its position be sent to JCCR.

Chairman Porter asked how serious this is. He questioned what happens if, in fact, the Board doesn't rescind these grants. He doesn't relish the idea of offending or irritating people who we want support from and who we have budgetary issues with.

Mr. Ziemann responded that this is somewhat unprecedented. JCCR rarely gives unfavorable reviews to SLIF awards. The legislature may not be very happy. It is his job to try to explain why the decision was made.

Chairman Porter asked that Mr. Ziemann stress to them that this was not a blind exercise of turf. The Board did not simply say that it is none of their business. The Board took it seriously. He was not sure where the Board would be when he first received the recommendation back from them. He is pleased with the questions Ms. Stewart asked; she did a service by helping make a record that the Board did in fact reconsider these grants. He believes the Board did reconsider it. He believes the Board has logical reasons why these grants awards were appropriate. This was not something the Board did not take seriously. The Board took it very seriously. The Board respects JCCR; they are entitled by law to give the Board that opinion; and the Board had an obligation of considering seriously. He asked that Mr. Ziemann stress to JCCR that if the Board saw a problem, they would have jumped on it. However, the Board does not believe there was a problem and hope that they can perhaps understand that.

Ms. Stewart asked if all of the issues have been addressed today.

Mr. Ziemann responded that the Board covered the issues JCCR raised.

Ms. Stewart responded that the Board does not look at this as an issue of its authority. She is looking at it more as an issue that the Board has a grants program with certain procedures and criteria. The Board and went through those procedures and evaluated the grant applications on those criteria. As a result of the JCCR's concerns the Board took a second look at some of those issues. The Board has not found any new information that would lead the Board to change its position from before. In fact, there may be more information that makes the Board more comfortable with its previous decision. In terms of the integrity of the program, it is not good policy to issue a grant and four months later rescind it when there is no new information.

Mr. Woodling asked if, by not making a motion on these two issues to reaffirm or whatever, it will be harder for Mr. Ziemann to address the JCCR or would Mr. Ziemann prefer this Board have motions to reaffirm.

Mr. Ziemann responded that it might be better to just leave it as it is. It reasserts the Board's authority. The Board has taken an action, reconsidered it in an open public meeting, and there's nothing more to be done. From what he's hearing, especially from Ms. Stewart and from all of the Board, the grants were re-examined by the Board for policy considerations; the grants were re-evaluated based on the legalities of the

program, and what is in the statute. The Board feels their action in September needs to stand.

Chairman Porter called for a Recess at 10:30 a.m.

Chairman Porter reconvened the meeting at 10:50 a.m.

Chairman Porter returned to Agenda Item C.8.

C. CONSENT AGENDA

8. Approve the rules for final rule making and submittal to the Governor's Regulatory Review Council.

Chairman Porter stated there is a Tabled Motion to Approve. He removed the Motion from the Table and brought it to the Floor for consideration. He asked if there is an amendment to that motion.

Board Action

Ms. Stewart: I move that R12-8-110-C be amended to read, "The Director may modify any fee prescribed under R12-8-109 to grant a discount or promotional rate."

Mr. Cordasco seconded the motion to amend.

Chairman Porter asked Mr. Travous if he had a chance to review the amendment and whether he was comfortable with it.

Mr. Travous responded affirmatively, as did Ms. Hernbrode and Mr. Siegwarth.

Mr. Scalzo questioned why the agency paid someone to refine and streamline these Rules and then go back to the past.

Ms. Stewart responded that she believes that the person who worked on them did an excellent job of cleaning up a lot of the language. Whenever one brings in someone from the outside and they're cleaning up language in some of the older Rules, they may not know what the original intent was and make modifications that shifts it meaning unintentionally. She believes that's what occurred here. She thinks it was money well spent.

Chairman Porter called for a vote on the Motion to Amend the motion on the floor. The motion carried with Mr. Scalzo voting Nay.

Chairman Porter called for a vote on the Motion on the Floor to Approve the rules for final rule making and submittal to the Governor's Regulatory Review Council, as amended.

The motion carried unanimously.

F. EXECUTIVE STAFF UPDATES

1. Update on the Governor's and Legislature's budget recommendations.

Mr. Siegwarth reported that he did not have a handout available for the Governor's

budget recommendation. It's very simple. For the last 5 years our number 1 priority has been our employees. He is happy to say that both the Governor and the legislature have pay raises in their package. The legislature's is 2.5% and the Governor's is 3.5%. Both plans hold employees harmless from any increases in health insurance. In the past, whatever pay raises the employees received was halved by increases in retirement and health insurance. So far as our employees are concerned, he believes this is a great starting point.

Mr. Siegwarth reported that the next issue was getting our Capital money back (getting our Enhancement Fund, SLIF, and the OHV conversion). The Governor's budget, over two years, gives us a \$1.5 million offset for the Enhancement Fund in 2008 and a \$4.5 million General Fund offset to the Enhancement Fund in 2009. That will take the Enhancement Fund back to 50% for Operations and 50% for Capital. It will be returned in Statute as opposed to annual Session Law. Staff are very pleased with that.

Mr. Siegwarth reported that the legislature, on the other hand, recognizes the Board's Capital needs. They say our increase in revenues address that. Our break-even point is \$8.8M this year. They keep it the same rate in 2008 and 2009. Staff's predictions are that the agency will make \$9.5M this year and \$9.8M the following year. That would free up about another \$700,000 in Capital each year. While staff are appreciative, we still prefer the Governor's budget. While all Capital funding is appreciated, if we had more we could do more good things.

Mr. Siegwarth noted there really are no other changes. The Governor maintains \$250,000 annually for the Arizona Trail. That money can only be spent on maintenance and development of the Arizona Trail. The legislature's budget (our starting point) views that as a one-time funding and deleted it. That is also on the table.

Mr. Siegwarth added that it doesn't appear the Board will be awash in money this year. They did not address SLIF. As Mr. Travous mentioned earlier, the agency uses SLIF a lot for marketing. Having the Governor direct Tourism to give us an extra \$250,000 for marketing helps in addressing the SLIF issue. He does not anticipate reducing the SLIF funding for marketing, but using the \$250,000 from Tourism to augment it.

Mr. Siegwarth stated that, all in all, he believes it's a very good place to start. Both sides have heard our arguments; both sides have solutions. He believes that the Governor's is the better budget.

Ms. Stewart asked if staff feel like the targets for the Enhancement Fund of \$8.8M is more realistic than some of those in the past.

Mr. Siegwarth responded affirmatively. This is the first year where it's \$8.8M and the Governor should be thanked for that. Last year we made about \$9.2M. We are running 3%-4% ahead of that. We're looking for \$9.5M-\$9.6M this year. December was not a great month. Now we are only about 2% ahead. That still makes about \$9.4M.

Ms. Stewart asked if this budget includes money for the reclassifications or certifications Mr. Ream has been working on.

Mr. Siegwarth responded that staff are not expressly asking for additional funds for that.

Mr. Woodling asked if there is a place where a Board member can view the Governor's and legislature's budget proposals.

Mr. Siegwarth responded that he has copies of the legislature's budget and the Governor's website has her presentation and summary; the JLBC has their summary and presentation on their website. Eventually, JLBC will have a side-by-side comparison on their website.

Mr. Winkleman noted that the state's economy is doing well. Revenues are not up where they have been and it really is a tight budget year with the increase in the number of children that need to be educated. The state has some challenges. He commended Mr. Travous and his staff for being very proactive this year and, based on how the various agencies came out of this with the Governor's budget, the Board is in very, very good shape.

Chairman Porter added that this is one of the few years in a very long time in which there has been active Board involvement intentionally programmed by Mr. Cordasco getting involved through the Governor's process. Still to come is his appearance before the legislature.

Mr. Cordasco responded that he wanted to make it clear that he only said a few words.

Chairman Porter responded that Mr. Cordasco's appearance showed involvement and the Board's commitment.

Ms. Stewart added that the shift in the presentations from what we used to get to here's our specific needs along with the photographs makes it more effective.

2. Update on the legislative committee assignments and proposed legislation.

Mr. Ziemann distributed three additional pages, two of which are Committee assignments and when those committees will meet. Copies of the green book should be available by the next Board meeting. It includes information and biographies of the members of the legislature. They haven't been printed yet.

Mr. Ziemann reported that the list of bills is still very premature. The deadlines have passed (the House deadline was last Thursday). After last Thursday, the Representatives are limited to 7 more per member (420 additional bills). The Senate deadline has not arrived yet. A glut of Senate bills will be forthcoming as well. ASP has introduced no bills.

Mr. Ziemann reported on the following bills:

HB-2044 AORCC Continuation- this is the bill introduced last year to continue AORCC for 10 years. No controversy is expected on that bill.

HB-2443 & OHV; User Fee

HB-2445 Vehicle License Plates; Amber Plates – Staff will have to keep an eye on all OHV bills. They were introduced by Representative Jerry Weiers. It is a new proposal that would incur a new user fee to off-highway vehicles that would generate approximately \$4M new dollars to that fund. Under the current proposal, ASP would receive about 60% of that money to distribute for OHV recreation. Staff will continue to

monitor that bill closely.

Mr. Ziemann stated he understands that a Senate Bill will be introduced that would allow all Native Americans to get into our state parks for free. He has raised concerns about that. Several years ago Veterans wanted to get in free; he's heard seniors want in free; teachers want in free. When there is a park system based almost entirely on its revenues, it doesn't allow for letting special groups of citizens in for free.

Mr. Winkleman asked why HB-2121 (Trust Lands; Rescinding Sales) is being introduced

Mr. Ziemann responded that it provides that up to 3 years after a piece of property is sold, one could go back and rescind that sale. He will try to get more information when he meets with Mr. Weiers.

Mr. Ziemann reported that approximately 15% of the bills introduced already (about 115) are technical correction bills. They are bills that don't do anything but provide a vehicle for a strike everything amendment later in the session.

Mr. Ziemann noted that a new trend being seen is that the Democrats are much more active this session than they have been in previous legislative sessions.

3. Update on conversations regarding the development at Contact Point (Lake Havasu)

Mr. Ream reminded the Board that ASP is celebrating its 50th Anniversary this year. There was a meeting held regarding Contact Point in Kingman, AZ, with Charles Wood (Chairman of the Chemehuevi Tribe), Wes Marston (their attorney from Los Angeles), Chairman Porter, Mr. Siegwarth, and himself. Approximately four years ago the Chemehuevi (Tribe) asked ASP if we would look into allowing ferry docking for their ferry boats that go from their tribal lands on the California side of Lake Havasu to the Arizona side at the City of Lake Havasu. They currently dock in the channel, which is very congested. They are getting a much larger facility. They approached the BLM to assist in their needs. The BLM responded that they are waiting for their Resource Management Plan to be completed (the same answer they've given staff over the past few years) and that only ASP has property available for development on Lake Havasu presently.

Mr. Ream explained that a meeting was arranged about four years ago. At that time staff were upset with BLM for reneging on an MOU ASP had with them for the purchase of a couple of sections at Contact Point. Since then, those fences have been mended. The Resource Management Plan is out. One of those sections is available for disposal; however, they want to use that Section for a university.

Mr. Ream reminded the Board that they held a meeting in Lake Havasu over the development of Contact Point. That renewed the Tribe's interest in creating a ferry docking site at that point. Staff have met with the City, the BLM, the university, and this was the last meeting with concerned groups in the area.

Mr. Ream noted that the Tribe are using an explanation of public safety and benefit to their people for the purpose of this ferry dock. It also will benefit the growth of their casino. This ferry will go back-and-forth with students between Lake Havasu and the

new university; it will bring their people over for medical help rather than having to drive all the way to Needles. They have approached the federal government regarding getting an interstate ferry grant to begin this process. Currently, the only ferry grant money that's going out is around the Puget Sound area in Washington State and the Staten Island Ferry. Arizona has never put in for a ferry docking facility. In order for them to do that, they need an agreement with the State of Arizona or ASP that we would be willing to participate in this. At that point they could begin applying for grants and borrowing money for the development of this ferry docking facility.

Mr. Ream reported that after three hours of discussion, staff told the Tribe that the Board is on the very edge of getting started at Contact Point. There currently are no plans; staff are seeking funding. There was discussion on doing three things:

- (1) In its master planning for Contact Point, ASP will consider a ferry docking station as part of its marina complex at Contact Point;
- (2) The Tribe will file a proposal for such ferry docking station;
- (3) The Tribe will support ASP in our efforts to get increases in our budget so we can develop Contact Point.

Mr. Ream noted that there should be a draft MOU prior to the Board's March meeting. Chairman Porter will attend a Tribal Council meeting on January 27 where they will discuss the meeting with Chairman Porter and ASP staff. He and Mr. Travous will meet with the Tribe on February 23 at Lake Havasu for the same purposes.

Chairman Porter noted that his purpose in accepting their invitation to attend was they wanted to give him, as a representative of the agency, a tour of their Reservation and a view of what they are doing. He feels it would be a good idea to signal to them that the Board desires to have a relationship. They are aware that the MOU will be on the March Agenda and believes their Tribal Chairman plans to attend.

Chairman Porter added that he was very impressed with what he considered the sophistication and savvy thinking of both the Tribal Chairman and his counsel. His counsel is, in fact, an attorney from Los Angeles who is a Tribal member. They came in very well prepared and organized. They knew exactly what they wanted; they wanted to know what the Board would want; and how they could assist us. Anything that is done with the ferry dock will require ecological concerns met on the highest level because it is a delicate area that cannot allow for any damage. They already have plans that anything that is done there will require environmental certification. Should any riparian mitigation be needed, they have 36 miles of shoreline they were willing to commit for environmental protection as a trade-off. They guaranteed that they will have the federal ecological certification. They said they would commit that anything they do must meet whatever aesthetic considerations the Board may want in order to fit into the overall Contact Point development.

Chairman Porter added that another thing he really liked was they want to construct a Tribal Center at the educational center. They pointed out that Contact Point was originally part of the Chemehuevi lands. This would be an opportunity for them to

interpret some of that history.

Mr. Siegwarth noted that he attended several of these meetings and they all sound great in concept. Everyone talks about the synergy of the nature center, the ferry, the marina; and it all sounds so good. He has some technical questions on how it works – the devil's in the details. Yes, they have some issues of funding. There are so many people there – how do we systematically start hitting people up for their share or give them a place in line? He knows that this year the SLIF grant program was fully funded. There is probably \$3M-\$4M sitting there that will wait until next year's grant cycle. One option would be to try to run another grant cycle. The agency has not been spending SLIF capital on itself. In order to get off the dime, he believes there needs to be some productive meetings where pencil is put to paper and dollars are actually discussed. He is not clear yet as to the extent of what they want and what their needs are. He is unclear as to how much to really ask them for. The process is that whenever we use SLIF, we have to go through AORCC and then review by JCCR. His question to the Board is whether it would be OK for staff to go to AORCC and see how they feel about using some grant funds for ASP capital needs which would address some of the beginning, preliminary planning so we could move this project forward. He pulls numbers out of the air every day. Two million sounds good to him, not that it would cost that much to plan it, but it would involve some planning and preliminary work staff need to do. Staff would also want to go to ADOT to get some money from them, as well as the feds and other entities. He believes \$2M should cover a big chunk of everything staff need to do. If they were OK with that, he would get the rest of the people together to give the Board a more concrete proposal. He doesn't want to go to AORCC if the Board doesn't like it at all.

Ms. Hernbrode stated she had an Agenda issue. It appears a Board action is being requested for something that does not appear on the Agenda.

Mr. Siegwarth responded he does not need a motion to go to AORCC. He is uncomfortable going to AORCC without the Board being aware he is doing it.

Ms. Stewart stated the Board needs to know the legalities of even doing this.

Chairman Porter noted that he has repeatedly asked about whether these things have to be listed as specific Board Action Items and has repeatedly been told we don't.

Ms. Hernbrode responded that it's not that they have to be Action Items; it's that, whether or not the Board votes, if the Chairman asks if everyone's OK with something – that's an action by the Board. There are items on the Agenda about Contact Point; if the Board were talking \$2,000 – that's one thing. The Board is talking \$2M of SLIF funding. She would prefer it be more specifically agendized.

Chairman Porter responded that they are not talking about going to AORCC and saying, "Approve this." Staff are simply talking about raising it with AORCC to see what their thoughts on it are.

Mr. Siegwarth concurred.

Mr. Travous stated he had a conversation regarding Contact Point and SLIF dollars with AORCC. He told them last summer that he would perhaps come back to them and asking for some of that money to get Contact Point started. They are aware of that. He would like the Board to be aware that he will go back to AORCC and request their feedback on funding.

Chairman Porter noted that they would ultimately have to come to the Board. He doesn't believe the Board needs to do anything. He doesn't believe the Board can tell the Director talk or don't talk to them. He has that power to talk to them.

Mr. Cordasco stated that one of the important things he's heard in this report is that the Board probably need to get off the dime themselves and do something that will help spawn movement.

Chairman Porter agreed. He believes the project with the Tribe is very instructive in that regard in the sense that they want this badly; we are really the only show in town. They kept asking what they can do. He has the impression that if the Board told them they need to do this and they need to put funding into it, they would do it. They understand ASP needs help with this park. They want to move on this park; the City of Lake Havasu's new mayor is very anxious to make this work. He believes that the message he's getting from Mr. Siegwarth is appropriate. The Board really needs to start moving down the road with this project.

Ms. Stewart stated she believed the whole issue of the Ferry raises three issues that the Board needs to think about:

1. Is this the best use of the limited land. There were a lot of people who came to the Board in February saying that they wanted their project on this small piece of land. Is this compatible with the rest of our operation. She's not saying she has an opinion one way or the other, but she's concerned that the Board is getting itself into a situation where they may think the Board is committing itself. A commitment cannot be made until the planning is complete and we know what this small piece of land can sustain.
2. If the Board is going to enter into an agreement, one of the elements ought to be that they not only help us with our budget, but that they help us with BLM to get that other land.
3. The Board needs to start thinking early on about how the expenses will be recouped. She believes that every one of the ferry passengers need to be thought of as a park visitor. There is no way staff can police once people are getting on and off the ferry whether they then decide to use the park's facilities. Any fees have to take that into account.

Chairman Porter noted Ms. Stewart's remarks were well-taken. Mr. Ream specifically raised those points, and he did not hear anything from the Tribe that indicated that they would not see the Board as using their ferry docking process as a money revenue fund raiser from the get-go.

Ms. Stewart responded that it should be done in a way that the park staff do not have to collect from each person getting on or off the ferry.

Chairman Porter responded that it was a long meeting that covered all of that territory. He doesn't believe the Tribe ever said they couldn't go along with any of the issues discussed. They want this badly enough. He believes ASP just needs to tell them what

we want and what they have to do and they will do what they have to do to meet our needs.

Ms. Stewart responded that the Board needs to be careful about the language of any such agreement so it doesn't give the impression that the Board has decided this is an appropriate use.

Chairman Porter responded that he believes the Board needs to move rather quickly to get to the point where we can do that. Otherwise the Board will be blamed for dropping the ball on a major project.

Mr. Travous noted that this is exactly why this needs to get to AORCC, have them take it out of the Board's hands, look at all the competing interests, and look at all the possible opportunities (including the long-range management issue).

Chairman Porter stated that he was very impressed at the way Mr. Ream and everyone involved in this project have been doing the one thing the Board established last summer – that we want and we will maintain control over this project. There are those out there who would love to steamroll and jump ahead. They have gotten the message. Everyone has pretty well backed off and are waiting for the Board to take the lead. He congratulated Mr. Ream for maintaining his grip on this project.

Mr. Ream added that the Tribe wants to do this with borrowed money. They need some sort of an agreement, even an MOU. They would take that MOU, get the money they need to fund their proposal and take into account our requirements. The Board can either vote for an MOU or not. It's not a contract; it just says we understand their needs; we have a place; we would receive their proposal. If they don't have something, they can't get the money to fund their proposal. Without a proposal, they have nothing. He wants to see diagrams, ideas for use, information that supports this site as the best. They will propose an MOU at the March meeting.

4. Update on conversations regarding the San Bernardino Ranch

Chairman Porter noted that, after a few months of quiet, it has begun to bubble. Last Friday morning he met with Bill Radke, the Fish and Wildlife Manager for the San Bernardino Preserve. He spearheaded putting all the paperwork together for a transfer of the ranch property from the Johnson Museum Assn. to the Fish and Wildlife Service. One of his concerns from the beginning has been what kind of relationship the Board might have with Fish and Wildlife Service (FWS). He was concerned there might be some antagonism. He was amazed at how excited Mr. Radke was at the concept of our joining in on a mutual operation there where they would have the actual possession of the property but where we would operate a state park (the museum property and various other parts that go way beyond just a museum). Mr. Radke's biggest concern was that Mr. Finks would probably require them to give him some kind of reversionary clause in any transfer that said if they ceased to operate it as a museum or violated or terminated any agreement with ASP the property would revert back to his foundation. Mr. Finks has pretty much backed off that requirement. Mr. Finks is now comfortable with the concept that that will not happen; it's not realistic. Mr. Finks has

pretty much committed himself that if ASP presents him with an agreement with F&W for a joint management operation he will then transfer it to them. Any agreement would be conditional upon it being transferred to them.

Chairman Porter stated that he was looking for Mr. Radke to agree that FWS will be responsible for the upkeep and maintenance of the facility. They own it, they will take responsibility for security. They will provide one full time certified law enforcement ranger assigned strictly to that facility as part of ASP's staff with back-up as needed from staff on the preserve. He indicated they have no concern with the Board attempting to strike an agreement with Malpai. Mr. Finks has also indicated he has no problem with an agreement with Malpai as well. He is now enthusiastic with the idea of Malpai constructing a building to serve as Malpai's headquarters and park entry headquarters on the open area close to the main entrance.

Chairman Porter stated he now believes the Board has a sort of daisy chain of agreements that would have to be met. First would be to strike a conditional agreement with FWS (conditioned to their getting the property) for joint management. We need to strike an agreement, if we choose to do so, with Malpai where they would set-up and staff a headquarters building. Their staff would also serve as additional adjuncts of the Board's staff so we would not need extra FTEs to cover such things as a gift shop and administrative support. There needs to be an agreement as part of this overall package with Mr. Finks by which he would have to agree to fund all of the rest of the staffing for that park for at least two years or possibly three years. He has stated repeatedly that he understands there will be a period of at least several years where he will need to pay for our staffing. It helps to have the one from FWS; it helps that we might have assistance from Malpai. It is less that he would have to fund.

Chairman Porter suggested there may be a hidden fourth agreement with the Arizona Historical Society (AHS). They hold almost all the original furnishings and furniture and many other artifacts of the John Slaughter era at their museum where they are being kept for safekeeping. The Board may be able to strike an agreement with them for them to do a permanent loan to restore those items to that ranch.

Chairman Porter stated he believed the first step is to see if we can't come up with at least a proposed agreement with FWS that meets Mr. Fink's approval. He doesn't believe the Board will be requested to approve anything until everything is worked out and in place to where staff can present a cohesive package to this Board. There are a lot of places this project can be derailed. He believes everyone, so far, seems to want to make it work. He will continue to be involved. The next step is for Mr. Ream and Mr. Radke to sit down and begin the process of trying to come up with an agreement that can ultimately be taken to Mr. Finks to see if in fact it can meet his requirements.

5. Update on gift from Asta Timm Forrest

Mr. Travous reported that the money remains in the Treasury. Approximately \$240,000 was deposited into the fund by Asta Timm Forrest's estate. She gave an equal amount to the State of California. It has raised interest in the amount of \$22,800 and now sits at \$262,800. A year-and-a-half ago he asked the staff in the organization what

they thought the money should be used for. Suggestions included a bat study at Kartchner Caverns State Park (KCSP) and taking care of some problems at the parks. He wanted to see something more long-range, but nothing has presented itself at this time. He has not spoken with the Executors of the Will for about a year-and-a-half. The only stipulation they had was that it not go to staff salaries.

Ms. Stewart suggested sending out a new request for suggestions to staff to see if they have any suggestions for long-term projects that could be a memorial to her.

7. Update on Tam O'Shanter - Potential New State Park

Mr. Siegwarth reported that the state bill is predicated on the passage of the federal bill. There is mild optimism that there can be some movement in Congress. The group that has formed to work on this bill are really looking at a 3-5 year timeframe to open the park. Once the bill drops, staff do not want to be blamed for keeping the visitors away. Staff are proceeding with the environmental studies (2 years), the cultural studies, and there's been a cross-section of Operations staff receive training. People are very excited. It's a huge part of our communications. Rangers, Regional Managers and Park Managers are providing input and talking to other sections (Admin, Resources Mgmt.). People are very excited. Subcommittees are being formed to address specific management issues that need to be dealt with. Staff continue to work on getting the studies completed. Staff are evaluating what needs to be done to keep the process moving forward. Staff will continue moving this project forward and optimistically expect passage of the bill within the next two years.

Mr. Ream introduced Mr. Don Subach, our Risk Management representative from ADOA for many years. We are fortunate to have had the same representative for many years. We have a very unique circumstance at ASP. Risk is part of the things we do – not only with our employees and the work they do, but also with our visitors and the forms of recreation they do. Staff have included Mr. Subach in plans for the climbing park. There are risk issues even prior to building a park.

Mr. Subach stated that he and ASP staff have always worked well together and have a great relationship.

Chairman Porter stated that counsel does not believe there is a need today for Executive Session. If that does not turn out to be the case, then the Board can go into Executive Session.

6. Update on future gifts and testamentary giving.

Chairman Porter noted that back when the ASP Foundation was formed, the idea was that we are in a time and era where we cannot count on being able to fund the things we need to fund in the future out of public dollars. Many agencies such as ASP are going to have to look more and more to private funding. He thinks that the Foundation has a tremendous potential to do that. We have a good product to sell. There are a lot of people who love the things the Board does and who have money and who, hopefully, can be induced to ultimately give up some of their money into the Foundation. He hopes that, down the road, the agency would have a multi-million

dollar foundation that could be in a position to be a source of funding when the Board needs to do things it needs to do.

Chairman Porter stated that he puts his own actions where his mouth is when it comes to this sort of thing. More than 15 years ago, he made an agreement on behalf of 3 different organizations in Mohave Co. that he is involved with that if anyone wanted to make a Will (a testamentary gift) of any type to any of those organizations, he would do their wills for free. There have been a lot of wills done over those years. Sadly, there have been a lot of people who made those wills who are no longer with us. His money count, to date, for those 3 organizations through those testamentary gifts is probably approaching \$2M. He thinks that one of the things the Foundation has to really push is going to be that testamentary giving. Ultimately, that is how they may make some of the biggest part of those multi-millions.

Chairman Porter noted he was requested to visit an interesting man. Yesterday he went to Camp Verde to meet Mr. Joseph Kusemato. Mr. Kusemato intends to leave everything he has to the ASP Foundation. He is a park volunteer at Fort Verde. He is also a carpenter, an electrician, a birder, a hiker, and wants to volunteer the rest of his life at state parks – not just Fort Verde. Last summer he headed out to Fool Hollow. At first they didn't know what to do with him. This summer he wants to work at Dead Horse Ranch. He wants to work at different state parks as a volunteer.

Chairman Porter stated that that's the sort of thing he sees as the future. The Foundation needs to recognize that we really need to market this. He envisions the Foundation printing out a brochure regarding testamentary giving.

H. ACTION ITEM

- 1. The State Parks Board may wish to take action on items discussed in Executive Session.**
 - a. State Parks Agreement with the Arizona State Parks Foundation**

As previously noted, there was no need for an Executive Session.

Mr. Travous reported that he and Ms. Hernbrode worked together on a proposed agreement. It basically mirrors an agreement already in place between the Game & Fish Commission with Wildlife for Tomorrow. It adds some things, but is mirrored after an agreement the Game & Fish Commission have passed and that has been in play for about three years. It is something both he and Ms. Hernbrode are comfortable with. It is something that may need more tweaking; there may be some conflicts. By-and-large, he feels good about it. There are some things he thinks need to be squared away with the AG's Office. One of the things that was discussed was a conflict of interest. He added language that there would be no conflict of interest or personal gain for state employees. Ms. Hernbrode questioned whether that same language needed to be applied to the Foundation members. Many time people in foundations give things that benefit both parties. They may give a piece of property for the parks system and have another piece of property next to the park. The value of both

properties goes up.

Mr. Travous added that he also agreed with Ms. Hernbrode to take the agreement to Risk Management to see how they feel especially about the indemnification language. If we had a volunteer cut off his toes while using a weedwhacker while cutting grass at a park, we would cover. However, if we had a Foundation member hold a fundraiser in someone's home to raise money to buy those weedwhackers, we'd have to go through an indemnification process. There are things that need to be considered in putting this agreement together that work not only for us but for other state agencies as they go through this process.

Chairman Porter asked if Mr. Travous is proposing the Board take any action.

Mr. Travous responded negatively.

Ms. Stewart asked what an MOU is and what the legal differences are between an MOU and a Contract and what are the advantages and disadvantages of each.

Ms. Hernbrode responded that the difference between an MOU and a Contract means a lot more to non-legal people than it does to legal people. An MOU is a "we'll play well together" agreement rather than a "We're going to do x, y, and z" agreement.

Ms. Hernbrode stated that there are two types of Friends groups. There are those where there is a very close relationship (very detailed, specific contract) and there are those where it is an arms' length relationship with minimal, if any, contract.

Ms. Hernbrode noted that our Friends group is somewhere in between those two extremes. There are aspects of our Friends Group that are very close and there are aspects which are arms' length. When this contract was first drafted, she envisioned it as a close relationship. The first contract was drafted to memorialize a close relationship. Mr. Travous and staff probably envisioned the other end of the scale. The current contract is a blend of the two. She provided the Director with a copy of the agreement between Game & Fish with added language specific to the Board's situation. The Board should not be mistaken – this is a contract. The Foundation is promising to do things and the Board is promising to do things. That is a contract. It sounds a little friendlier than an MOU. She is very comfortable with where it is.

Ms. Stewart stated she had some very specific suggestions she thinks would be helpful. She thinks that it's imperative that they obtain prior written approval before the Foundation makes a representation to the public that they are raising funds for specific parks. She envisions legal problems if they started raising money for something people donated and later ASP says they can't do it or don't want money for it. People who donated money for that project may then not only come back against the Foundation, but against ASP as well. If they want to raise money for a specific ASP project, they need the Director's prior approval. On page 2, #4, under Parks Sole Discretion where it says "Allow the Foundation to contract and pay for . . ." it should say "solicit funds for specific state parks projects". She doesn't have a problem if they solicit funds in general. However, if they're saying this money is going for "X" they need to have prior written approval that ASP is willing to accept money for a specific project.

Ms. Hernbrode noted that Ms. Stewart's concern is that if the Foundation wants to start a fundraising program for, say, a bathroom at Dead Horse - prior to going out to the public to solicit funds for a new bathroom, they would need to get specific approval from the Director that the park wants a new bathroom.

Ms. Stewart responded that that language is not specifically in the contract. It needs to be very clear. Under, "The Foundation will . . ." it needs to say, "obtain written approval prior to representing to the public that it is raising funds for a specific state parks project."

Mr. Scalzo asked if that does not, then, bring a closer relationship and remove that "arms' length" which we have to achieve. We can become too tightly linked, then.

Ms. Hernbrode stated that she respectfully disagreed. It's not that the Board is

controlling the Foundation.

Mr. Scalzo responded that if the Board is telling the Foundation what to do it's not arms' length.

Ms. Stewart stated that the Board is not telling them what to do.

Chairman Porter stated that the Director is telling them it's OK to do something they proposed.

Ms. Stewart added that they could raise general money all they want without asking for prior approval. If they're telling the public that this money is being raised for a specific thing, they need prior approval.

Ms. Hernbrode stated she believed the contract could be tweaked so that the Board is comfortable.

Ms. Hernbrode asked to address Mr. Scalzo's concern very briefly. She is aware of another agency that has a foundation. That foundation goes out and tells the public that they want to raise money for a specific project. They then show up at the door of that agency with the money, the lumber, and the people to build the project. That's a problem. She does not believe asking them to come to us at an earlier stage ties the Board any closer to them than is appropriate to maintain control over the Board's property.

Mr. Scalzo responded that, using Ms. Hernbrode's example, there's no state agency that needs to prevent an outside organization from constructing on their property without legally having approval. It's like state highways. If someone says they're going to build a road for them, if they don't want to build a road they don't.

Ms. Hernbrode responded that it happens. She believes something can be drafted that will make Ms. Stewart happy as well as the rest of the Board.

Chairman Porter stated he thought the Board had beaten that horse to death.

Ms. Stewart noted that she had not finished with what she wants. She would like to have a section in "The Foundation will" that does that. Also, under "Parks, at it's sole discretion," number 4 needs to have something about soliciting funds for specific projects added.

Chairman Porter noted that it's very clear that Ms. Stewart has some very specific issues and suspected there may be other Board members who have issues as well. Since there is time, he would like Board members to submit those suggestions they feel need consideration to counsel and staff. He would like counsel and staff to come back to the Board with a proposed ultimate agreement. He also wants to see anything that's been proposed by any member of the Board that has not been adopted listed so it is available to consider when looking at the final agreement.

Ms. Hernbrode noted that she expects that the Foundation will have seen this by the next meeting. They will not be asked to sign it because the Board needs to approve it before taking that step.

Mr. Cordasco asked who is currently chairing the Foundation.

Mr. Travous responded that Doug Frerichs, SRP, is the President of the Foundation.

D. BOARD ACTION ITEMS

1. Election of Officers for 2007

Chairman Porter opened the floor for Nominations for Elections of Officers for 2007. He asked for nominations for the Offices of Chairman and Vice Chairman.

Mr. Travous noted that tradition and history would dictate that Mr. Cordasco would be the incoming Chairman and that Mr. Scalzo would be the incoming Vice Chairman (due to the vacancy on the Board).

Chairman Porter noted that the Board is not bound by tradition and history in any way, shape, or form. The Floor is open for nominations.

Mr. Winkleman nominated Mr. William C. Cordasco for the Office of Chairman for 2007 and Mr. William Scalzo for the Office of Vice Chairman. There were no further nominations.

Mr. Woodling made a motion that nominations be closed and that the election be declared unanimous. Mr. Winkleman seconded the motion and the motion carried.

Mr. Porter passed the gavel to new Arizona State Parks Board Chairman, William C. Cordasco.

At this point, Mr. Travous presented Mr. Porter with a plaque on behalf of staff and the Parks Board for his year as Chairman of the Parks Board for the year 2006. He noted that he didn't know of anyone who has spent more time and travel on the agency's behalf. Mr. Porter has always been willing to go the extra mile on the agency's behalf.

I. CALL TO THE PUBLIC

There was no public remaining.

J. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

- 1. Staff recommends that the next Arizona State Parks Board Meeting be held in Phoenix, AZ on March 15, 2007, beginning at 10:00 a.m..**
- 2. Board members may wish to discuss issues of concern and request staff to place specific items on future Board meeting agendas.**

Mr. Porter requested that Contact Point, Tam O'Shanter, and San Bernardino be placed on the Agenda on a regular basis so if there are things that need to be discussed, they can be.

Mr. Scalzo suggested that all three be listed under Discussion and/or Action.

Ms. Stewart noted that at the December meeting she requested a motion be included on the January meeting on the Simonton property spelling out the reasons for the natural

areas features the Board was purchasing to protect.

Mr. Woodling requested an update report from staff on the San Rafael Ranch.

Mr. Porter added that the newest member of the Arizona Historical Society is Bob Sharp. Mr. Sharp is very concerned about the fire danger on the property. It needs to be on the March Agenda to take a hard look and talk about San Rafael and the fire danger status there. Mr. Sharp is under the impression that there's currently a high fire risk and that something needs to be done about the excessive growth before we have an ecological disaster.

Chairman Cordasco noted our Strategy Items will be included on the Agenda.

Mr. Travous noted that the remainder of the meetings for 2007 will begin at 10:00 a.m. Staff will be prepared to have a Subway lunch brought in should the meeting go beyond Noon.

K. ADJOURNMENT

Chairman Cordasco adjourned the meeting at 12:26 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602)364-0632; or TTY(602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

William C. Cordasco, Chairman

Kenneth E. Travous, Executive Director